

Brilliant Mining Corp.

Consolidated Financial Statements

For the three and six months ended March 31, 2011 and 2010

To the shareholders of Brilliant Mining Corp:

The interim consolidated financial statements of Brilliant Mining Corp. as at and for the three and six months ended March 31, 2011 and 2010, have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

Brilliant Mining Corp.
Consolidated Balance Sheets

As at	March 31 2011 <i>(unaudited)</i>	September 30 2010 <i>(audited)</i>
Assets		
Current		
Cash and cash equivalents (note 3)	\$ 2,608,425	\$ 4,250,705
Proceeds receivable on sale of subsidiary (note 6)	-	248,325
Other receivables	341,734	112,591
Prepaid expenses and deposits	124,438	61,450
	<u>3,099,597</u>	<u>4,673,071</u>
Restricted cash (note 3)	25,000	25,000
Investments (note 7)	6,122,810	5,626,589
Loan to Ivory Resources Inc. (notes 6 & 8)	1,500,000	-
Deferred acquisition costs Ivory Resources Inc. (note 8)	442,374	-
Mineral interests (note 4)	1,901,245	1,891,245
Property, plant and equipment	86,777	93,051
	<u>13,152,803</u>	<u>12,308,956</u>
Total assets	<u>\$ 13,152,803</u>	<u>\$ 12,308,956</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 462,699	\$ 94,748
Advanced share subscriptions (note 8)	444,718	
	<u>12,245,386</u>	<u>12,214,208</u>
Shareholders' equity	<u>12,245,386</u>	<u>12,214,208</u>
Total liabilities and shareholders' equity	<u>\$ 13,152,803</u>	<u>\$ 12,308,956</u>

Approved by the Board

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

Brilliant Mining Corp.
Consolidated Statements of Net Loss

(unaudited)

Period ended March 31	2011 (3 months)	2010 (3 months)	2011 (6 months)	2010 (6 months)
Revenue				
Interest	\$ 7,853	\$ 6,227	\$ 18,595	\$ 12,953
Other	-	3,008	-	8,951
	7,853	9,235	18,595	21,904
Expenses				
Advertising, promotion and travel	96,168	96,586	157,788	177,727
Amortization	3,137	6,436	6,274	13,270
Filing Fees	12,251	15,056	14,675	23,408
Management fees	56,381	66,925	126,167	139,107
Office and administration	78,393	46,145	143,785	137,020
Professional fees	21,644	5,541	48,405	49,167
Project generation	-	590	-	6,983
	(267,974)	(237,279)	(497,094)	(546,682)
	(260,121)	(228,044)	(478,499)	(524,778)
Other income (expenses)				
Foreign exchange	(3,077)	(50,684)	9,624	(20,476)
Unrealized loss on held for trading financial assets (note 6)	(1,096,986)	(195,981)	(1,418,263)	(752,882)
Net loss before income taxes	(1,360,184)	(474,709)	(1,896,762)	(1,271,136)
Future income taxes	38,727	14,268	240,514	67,263
Net loss for the period	\$ (1,321,457)	\$ (460,441)	\$ (1,656,248)	\$ (1,203,873)
Basic and diluted net loss per common share	(0.03)	(0.01)	(0.04)	(0.03)

Brilliant Mining Corp.

Consolidated Statements of Changes in Shareholders' Equity

(In dollars, except number of common shares),

	Number of common shares (note 7)	Share capital	Contributed Surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
October 1, 2009	36,606,733	18,271,056	4,779,311	(10,486,799)	(1,377,301)	11,186,267
Net loss for the year ended September 30, 2010	-	-	-	(642,020)	-	(642,020)
Other comprehensive income:						
Effect of change in fair value of available for sale investments (net of \$97,838 in future income taxes)	-	-	-	-	684,850	684,850
Comprehensive income						42,830
Exercise of stock options	125,000	143,249	(120,500)	-	-	22,749
Private placement	6,666,666	1,000,000	-	-	-	1,000,000
Return of stated capital	-	(48,638)	11,000	-	-	(37,638)
	6,791,666	1,094,611	(109,500)	(642,020)	684,850	1,027,941
September 30, 2010	43,398,399	19,365,667	4,669,811	(11,128,819)	(692,451)	12,214,208
Net loss for the six months ended March 31, 2011	-	-	-	(1,656,248)	-	(1,656,248)
Other comprehensive income:						
Effect of change in fair value of investments (net of \$240,514 in future income taxes)	-	-	-	-	1,683,594	1,683,594
Comprehensive income						27,346
Exercise of warrants (note 4)	283,333	56,666	-	-	-	56,666
Exercise of agents' warrants (note 4)	25,000	7,750	(2,750)	-	-	5,000
Share issuance costs	-	(57,834)	-	-	-	(57,834)
	308,333	6,582	(2,750)	(1,656,248)	1,683,594	31,178
March 31, 2011	43,681,732	19,372,249	4,667,061	(12,785,067)	991,143	12,245,386

Brilliant Mining Corp.

Consolidated Statements of Cash Flows

(unaudited)

Period ended March 31	2011 (3 months)	2010 (3 months)	2011 (6 months)	2010 (6 months)
Operating activities				
Net loss	\$ (1,321,457)	\$ (460,441)	\$ (1,656,248)	\$ (1,203,873)
Adjustments for:				
Amortization	3,137	6,436	6,274	13,270
Unrealized loss on held for trading financial assets	1,096,986	195,981	1,427,887	725,882
Future income taxes	(38,727)	(14,268)	(240,514)	(67,263)
	(260,061)	(272,292)	(462,601)	(531,984)
Changes in non-cash working capital:				
Receivables	(64,283)	8,272	19,182	12,305
Accounts payable and accrued liabilities	385,826	(50,002)	369,318	(105,372)
Income taxes	(1,367)		(1,367)	
Other current assets	(71,063)	(10,500)	(62,988)	2,275
Cash used in operating activities	(10,948)	(324,522)	(138,456)	(622,776)
Investing activities				
Loan to Ivory Resources Inc. (note 8)	-	-	(1,500,000)	-
Deferred acquisition costs	(442,374)	-	(442,374)	-
Mineral interest expenditures	-	-	(10,000)	(14,325)
Purchases of equipment	-	(879)	-	(879)
Cash used in investing activities	(442,374)	(879)	(1,952,374)	(15,204)
Financing activities				
Advanced share subscriptions (note 8)	444,718	-	444,718	
Cost of share issuance	(57,834)	-	(57,834)	(37,639)
Agent warrants exercised (note 4)	5,000	-	5,000	
Net proceeds from issuance of share capital	-		-	1,000,000
Options exercised		22,750		22,750
Warrants exercised (note 4)	-	-	56,666	
Cash provided by (used in) financing activities	391,884	22,750	448,550	985,111
Net increase (decrease) in cash	(61,438)	(302,651)	(1,642,280)	347,131
Cash, beginning of period	2,694,863	4,972,962	4,275,705	4,323,180
Cash, end of period	\$ 2,633,425	\$ 4,670,311	\$ 2,633,425	\$ 4,670,311
Cash is composed of:				
Cash and cash equivalents	\$ 2,629,425	\$ 4,645,311	\$ 2,629,425	\$ 4,645,311
Restricted cash (note 3)	-	25,000	-	25,000
	\$ 2,629,425	\$ 4,670,311	\$ 2,629,425	\$ 4,670,311

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

For the three months and six months ended March 31, 2011 and 2010

(unaudited)

1. Nature of operations

Brilliant Mining Corp. (“Brilliant” or the “Company”) was incorporated under the Alberta Business Corporations Act on October 1, 1998 and has its shares listed for trading on the TSX Venture Exchange. The Company is a resource Company with a grass roots exploration property in Labrador, Canada and is in search of undervalued resource opportunities.

2. Significant accounting policies

Future accounting pronouncements

Convergence with International Financial Reporting Standards

In February 2008, the Accounting Standards Board confirmed that Canadian generally accepted accounting principles for publicly accountable enterprises will be converged with International Financial Reporting Standards (“IFRS”) effective for the Company’s interim and annual financial statements beginning on October 1, 2011. The Company is currently evaluating the impact of the adoption of IFRS.

3. Cash and cash equivalents

Cash consists of cash on demand deposit with accredited financial institutions in Canada and Australia. In the period ended March 31, 2009 the Company provided \$25,000 of cash as security to one of the Company’s financial institutions for corporate credit card liabilities. This was classified as a non-current asset

4. Share capital

The Company’s bylaws authorize an unlimited number of Class “A” common shares and an unlimited number of Class “B” preferred shares.

Private placement

On October 16, 2009, the Company closed on a non-brokered private placement of 6,666,666 units of the Company at a price of \$0.15 per Unit for gross proceeds of \$1,000,000. Each Unit consisted of one common share of the Company (“Common Share”) and one non-transferable share purchase warrant (“Warrant”) entitling the holder to acquire one additional Common Share at a price of \$0.20 per Common Share until October 15, 2014. The Company paid \$15,000 in finder’s fees and issued non-transferable share purchase warrants to acquire an aggregate of 100,000 Common Shares on the same terms as the Warrants. The Company assigned the full amount of the proceeds to the Common Shares and none to the warrants.

See note 8 regarding significant subsequent event including a private placement

Per share calculations

For the three and six months ended March 31, 2011, the basic and diluted weighted average number of common shares outstanding was 43,556,549 (2010 – 43,398,399). For the three and six months ended March 31, 2011 and 2010, the effect of stock options, warrants, and agents’ warrants would be anti-dilutive as the Company was in a net loss position.

Brilliant Mining Corp.

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(unaudited)

Warrants

The following table summarizes activity related to warrants:

	Six months ended March 31, 2011		Year ended September 30, 2010	
	Number of warrants #	Weighted average exercise price \$	Number of warrants #	Weighted average exercise price \$
Balance – beginning of period	6,666,666	0.20	-	-
Issued	-	-	6,666,666	0.20
Exercised	(283,333)	0.20	-	-
Balance – end of period	6,383,333	0.20	6,666,666	0.20

The following table summarizes information about warrants outstanding:

Number of warrants outstanding #	Weighted average exercise price \$	As at March 31, 2011	Number of warrants outstanding #	Weighted average exercise price \$	As at September 30, 2010
		Weighted average remaining contractual life Years			Weighted average remaining contractual life Years
6,383,333	0.20	3.6	6,666,666	0.20	4.05

Agents' Warrants

The following table summarizes activity related to agents' warrants:

	Six months ended March 31, 2011		Year ended September 30, 2010	
	Number of options #	Weighted average exercise price \$	Number of options #	Weighted average exercise price \$
Balance – beginning of period	100,000	0.20	-	-
Issued	-	-	100,000	0.20
Exercised	(25,000)	0.20	-	-
Balance – end of period	75,000	0.20	100,000	0.20

Brilliant Mining Corp.

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The following table summarizes information about agents' warrants outstanding:

Number of agents' warrants outstanding #	Weighted average exercise price \$	As at March 31, 2011	Number of agents' warrants outstanding #	Weighted average exercise price \$	As at September 30, 2009
		Weighted average remaining contractual life Years			Weighted average remaining contractual life Years
75,000	0.20	3.6	100,000	0.20	4.0

On October 16, 2009, the Company issued non-transferable share purchase warrants to acquire an aggregate of 100,000 Common Shares on the same terms as the Warrants issued in the private placement closing on the same date as previously described. The estimated share issuance cost related to the 100,000 stock agents' warrants granted on October 16, 2009 was calculated using the Black Scholes option pricing model using the following weighted average grant-date assumptions: grant date stock price \$0.17; risk free interest rate 2.78%; expected volatility 80.0%, and expected annual dividends of 0%.

Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted.

A summary of stock option activity is as follows:

	Six months ended March 31, 2011		Year ended September 30, 2010	
	Number of options #	Weighted average exercise price \$	Number of options #	Weighted average exercise price \$
Balance – beginning of period	3,522,500	0.15	3,647,500	0.15
Exercised	-	-	(125,000)	0.18
Expired	(67,500)	0.32	-	-
Balance – end of period	3,455,000	0.15	3,522,500	0.16

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(unaudited)

The following table summarizes information about stock options outstanding:

As at March 31, 2011			As at September 30, 2010		
Number of options outstanding #	Weighted average exercise price \$	Weighted average remaining contractual life Years	Number of options outstanding #	Weighted average exercise price \$	Weighted average remaining contractual life Years
-	-	-	67,500	0.32	0.1
67,500	0.15	0.3	67,500	0.15	0.8
1,475,000	0.15	0.5	1,475,000	0.15	1.0
12,500	0.15	1.1	12,500	0.15	1.6
275,000	0.15	1.5	275,000	0.15	2.0
400,000	0.15	1.6	400,000	0.15	2.1
1,175,000	0.15	3.2	1,175,000	0.15	3.7
50,000	0.175	3.4	50,000	0.175	3.9
3,455,000	0.15	1.7	3,522,500	0.15	2.1

5. Related party transactions

During the three months ended March 31, 2011, the Company incurred management consulting fees included in management fee expenses of \$56,381 (2009 - \$66,925) to directors and officers or companies controlled by directors. All amounts were fully paid at March 31, 2011 and 2010.

At March 31, 2011 the Company had no outstanding accounts payable to companies with common directors (September 30, 2010 - \$88,281) relating to the reimbursement of shared office, staff, and administrative costs.

These amounts are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties based on standard commercial terms.

6. Financial instruments

As at	March 31, 2011	September 30, 2010
Available for sale financial assets	\$ 2,731,162	\$ 4,159,049
Held for trading financial assets	\$ 3,391,648	\$ 1,467,540
Investments	\$ 6,122,810	\$ 5,626,589

Available for sale financial assets

During the year ended September 30, 2008, the Company acquired marketable securities for a gross cost of \$2,258,910. This investment has been classified as available-for-sale; consequently the investment is carried at its fair value (with reference to the quoted stock exchange price (Level 1)) with unrealized gains and losses recognized as a component of other comprehensive income. The fair value of the marketable securities at March 31, 2011 was \$3,391,648 (September

Brilliant Mining Corp.

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30, 2010 - \$1,467,540). The change in fair value of these marketable securities has been recorded, net of future income taxes, as a component of other comprehensive income on the statement of changes in shareholders' equity.

Held for trading financial assets

In the year ended September 30, 2009 the Company was issued stock options in Panoramic Resources Ltd. ("Panoramic") as partial consideration for a transaction with Panoramic. The Panoramic stock options issued to the Company, were initially recognized at their estimated fair value of \$370,321 as determined using the Black Scholes option pricing model (Level 3). The Panoramic stock options consist of 3,000,000 unlisted options to purchase ordinary shares of Panoramic at AUD 1.50 per share, until December 31, 2012. At March 31, 2011, the estimated fair value of the Panoramic stock options is \$3,828,148 (September 30, 2010 - \$4,159,049). The unrealized loss of \$330,901 during the six months ended March 31, 2011 has been recognized in the consolidated net loss for the period. The assumptions used in the calculation of the fair value of the Panoramic stock options at March 31, 2011 are as follows: stock price \$2.27; risk free interest rate 1.67%; expected volatility 47%, and expected annual dividends of 2%.

The following table shows a reconciliation of movements in fair value of the Panoramic Options categorized within level 3 for the period ended March 31, 2011 and the year ended September 30, 2010.

	2011	2010
Opening Balance	\$ 4,159,049	\$ 3,765,479
Unrealized gain (loss) on held for trading financial assets (included in net income/loss)	<u>(1,427,887)</u>	<u>393,570</u>
Closing Balance	<u>\$ 2,731,162</u>	<u>\$ 4,159,049</u>

During the three and six months ended March 31, 2011 and 2010, there were no transfers of instruments between level 1, 2 or 3.

Loans and Receivables

Fair value

Due to their short term nature, the fair value of cash and cash equivalents, receivables, restricted cash, and accounts payable and accrued liabilities are assumed to approximate carrying values.

Investments are presented on the consolidated balance sheet at fair value.

Capital management

The Company's capital consists of share capital.

The Company's objectives in managing its capital are: to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company may also utilize debt facilities or instruments, including convertible debt instruments, for capital management.

Brilliant Mining Corp.

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The Company may, from time to time, invest capital that is surplus to immediate operational needs in short-term, liquid, and highly rated financial instruments held with major financial institutions, or in marketable securities.

Risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Interest risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments.

The Company had approximately \$2.63 Million in cash and cash equivalents at March 31, 2011, on which it may earn variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is deemed to be immaterial to management of the Company.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents, and accounts receivable.

The Company has assessed its exposure to credit risk and has determined that such risk is minimal. The Company's cash and cash equivalents are held with financial institutions in Canada and Australia. Cash and cash equivalents held with the Company's Canadian financial institution are guaranteed in full by the Crown in Right of Alberta.

Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

The Company maintains its cash reserves primarily in Canadian Dollars. Some cash may be denominated in various other currencies, and is therefore subject to fluctuations in foreign exchange rates. The effect of exchange rate movements on the Company's cash and other working capital balances is not considered material by management. The Company's corporate costs and share capital, as well as the Company's reporting currency, is in Canadian Dollars.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due.

As at March 31, 2011, the Company has consolidated working capital of \$2,192,180, and does not have any long-term liabilities. As such the Company has determined that its liquidity risk is nominal.

7. Comparative figures

These consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Brilliant Mining Corp.

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8. Subsequent events

Acquisition of Ivory Resources Inc. and concurrent Private Placement

On May 11, 2011, the Company completed the acquisition of all of the issued and outstanding common shares of Ivory Resources Inc. ("Ivory"), a private Cayman Islands corporation, by issuing 50,491,958 units of the Company (each, a "Unit") at a deemed price of \$0.27 per Unit. Each Unit consisted of one common share of the Company ("Common Share") and one Common Share purchase warrant ("Warrant") entitling the holder to acquire one additional Common Share at a price of \$0.45 per Common Share until May 11, 2013.

Certain investors had previously loaned a total of \$11,632,829 to Ivory pursuant to various credit facility agreements ("Investor Loans"). Immediately prior to the Company's acquisition of Ivory, the Investor Loans were converted to common shares of Ivory, which were then exchanged for Units of the Company, included in the total above, on the basis of one Unit for each \$0.27 lent to Ivory. In addition, the Company had lent \$1,500,000 to Ivory pursuant to a credit facility agreement which was not converted to Ivory Shares.

Ivory, through a wholly owned subsidiary, has the rights through an agreement with the Government of Equatorial Guinea, a West African country, to carry out an airborne geophysical survey (the "Survey") and certain preferential rights to acquire mineral rights based on the results of the Survey. The Survey commenced collecting geophysical data at the end of November, 2010 and has been ongoing since then, subject to weather conditions. Funds lent into Ivory through the Investor Loans have financed the survey to date, as well as the general and administrative expenses of Ivory and its subsidiaries. As at the date of acquisition of Ivory, the Survey had completed mobilization and approximately 37,000 line-kilometres at an aggregate cost of approximately \$4.5 Million. An additional approximate 32,000 line-kilometres are required to complete the survey, at an approximate cost of \$3.8 million, plus potential charges due to weather-related delays and fuel surcharges.

Concurrent with the acquisition of Ivory, the Company completed a private placement of 42,100,617 Units at a price of \$0.27 per Unit for gross proceeds of \$11,367,166 (the "Private Placement").

As consideration for assistance in securing the rights to the Survey, the Company issued 7,407,407 units to an arm's length party and 3,703,704 Units to a trust company which will distribute such units to additional parties who have assisted with the Transaction.

Pursuant to a separate compensation agreement dated April 8, 2011, the Company issued 740,740 Common Shares at a deemed value of \$0.27 per Common Share to an arm's length individual for assistance in completion of the acquisition of Ivory and the Private Placement.

Pursuant to two additional separate compensation agreements dated April 8, 2011, the Company paid an aggregate \$225,000 and issued 1,111,111 Common Shares at a deemed value of \$0.27 per Common Share to two arm's length parties for assistance in completing the acquisition of Ivory and the Private Placement.

In total, the Company has issued 105,555,537 Common Shares and 103,703,686 Common Share Purchase warrants in relation to the acquisition of Ivory and the concurrent private placement. The Company is currently allocating the proceeds of the acquisition of Ivory to the assets and liabilities acquired.

As at March 31, 2011 the Company had received proceeds in advance of the closing of the private placement in the amount of \$444,718 classified as Advance Share Subscriptions on the face of the consolidated balance sheet as a current liability. In addition, as at March 31, 2011, the company had incurred expenses related to the acquisition of Ivory, in the amount of \$442,374, classified as deferred acquisition costs on the face of the consolidated balance sheet as a current asset.